



**PANEL SUBMISSION FORM**

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**SCANNING****What problem did you address in your POP project?**

Limited resource and lack of funding issue with pawnshop-management.

**Why did you select this problem over others?**

The department focuses on a continuous learning organization theory and has multiple line-level community oriented policing projects ongoing in an effort to improve our police service delivery ability.

**ANALYSIS****What analysis was done concerning the problem?**

Action research methodology involving focus groups, surveys, and secondary data review. Three client groups were identified (police employees, citizens, and pawnbrokers) and they developed the solutions for this issue.

**What harms have resulted from the problem?**

Lack of compliance with state law requiring police to monitor and regulate pawnbrokers. In turn, this resulted in a proliferation of pawnshops in our city.

**RESPONSE****What were the goals of your response?**

Using a collaborative setting, research and develop an effective and efficient automated pawn-management system and process that met the needs of the citizens, pawnbrokers, and police.

**Describe the response and any difficulties you encountered?**

Citizen perception, negative pawnshop image, and historic adversarial distrust of police had to be overcome before an effective plan emerged.

**ASSESSMENT****What were the results of your response?**

After a year of work, a comprehensive process emerged creating a self-funded program that provided computerized equipment, employees, and an automated pawn-management system not dependent on public monies.

**How did you measure your results?**

Built into the new pawn-management process is an annual joint review by the involved client groups to evaluate the program's efficiency and effectiveness.

This review then sets the parameters for the next year's goals.



## Abstract

Increased service demands, unfunded legislative mandates, and reduced budgets are forcing law enforcement agencies to rethink service-delivery strategies to achieve their goals. Due to budget cuts and prioritization of service delivery, the Lakewood (Colorado) Police Department did not have the resources to continue a manual pawn slip checking process. This resulted in unregulated growth and a decreasing ability to recover stolen property. A collaborative team involving the pawnbrokers, the citizens, and the police department used action research to generate recommendations for an automated process. This process includes a computerized network between the pawnbrokers and police, a self-funding mechanism that pays for the personnel to run the system, and an annual fiscal review conducted by the citizen-groups to adjust the future funding needs. In addition to the automated process, a cooperative and supportive relationship based on mutual understanding was developed. The automated process recommendations were accepted by our City Council and enacted into law on October 26, 1998. To date, several Colorado law enforcement agencies have requested this program for evaluation.



## **Collaborative Pawnshop Regulation: Building a Public-Private Partnership**

The Lakewood Police Department is responsible for the investigation and regulation of pawnshops within the city. Due to financial constraints and a proliferation of pawnshops, there has been little active police activity or management. This has resulted in the unregulated growth of pawnshops and a poor recovery of stolen property pawned at these shops. The desired outcome of this project was to fulfill our mission to improve the quality of life for the citizens who work, live, or visit the City of Lakewood. By improving the effectiveness of the process, the police and pawnshops will locate and return stolen property to victims and facilitate a more effective crime prevention and repression effort to discourage stolen property from coming to the pawnshops.

### **Scanning**

The Lakewood Police Department, like every other law enforcement agency, is duty-bound to enforce municipal, state, and federal laws. Over the past decade, the city has experienced significant population and service-call growth without benefit of a similar growth in fiscal support. Further, the adoption of unfunded mandates from the legislature has exacerbated the fiscal picture. These mandates, such as reducing domestic violence and increasing concealed weapons investigations, have severely influenced the police department's ability to deliver quality service in all areas. The department has continually examined methods to provide and improve quality-service delivery with limited resources and an emphasis on the patrol function.

The uniformed Patrol Division handles the vast majority of the calls for service. The other divisions, such as: Investigations, Administrative Services, and Information Management, act as support to the Patrol Division. In an effort to assist with needed resources, the Investigation Division has scaled back some lower priority services to provide additional

manpower to the Patrol Division. One of the services affected by this delivery modification was the investigation of pawnshop violations.

As time went by, fewer and fewer pawn violation cases were developed while additional pawnshops began opening in the city. Since no pawned property was being entered into the CCIC (Colorado Crime Information Center) there was no way to determine if any articles were stolen. Other law enforcement agencies and victims of property crimes in our city began notifying the department that stolen property was located in our pawnshops and requested our assistance in recovering and returning the stolen articles. This proved embarrassing to the detectives and supervisor of the burglary team and, in turn, the department. It was at this point when that the burglary team was challenged to find an innovative approach to solve this service delivery problem.

### **Analysis**

Historically, thieves have taken stolen property to pawnshops and pawned the articles for cash. Over time, laws and statutes have been promulgated in all fifty states to reduce the likelihood of stolen property being pawned. Pawnshops state less than one percent of the items taken into a pawnshop are stolen. Police around the country estimate that between one and fifteen percent of the items are stolen. In 1997, the City of Lakewood reported 204,000 pawn transactions. Using these ranges, this should produce between 2,000 to 30,000 stolen items pawned. In 1997, the police department investigated only 28 pawn violations. This demonstrates an extremely low rate of compliance that translates into a low rate of enforcement. Therefore, the conclusion can be drawn that there are violations occurring, as well as opportunities for the police to track and manage the operations of pawnshops in the community.

When the first pawnshop opened in the City of Lakewood in 1991, the belief was that, as a suburban community, the pawnbroker business would create a minimal impact on police services. Two part-time record clerks and a portion of one detective's time were dedicated to addressing this pawnshop utilizing a manual pawn slip filing and record keeping process. As the years progressed, more pawnshops opened in the city. By 1998, there were eleven pawnshops in Lakewood. At the same time, operating budgets were shrinking, resulting in the record clerks and detective being assigned to higher priority tasks. Consequently, there was no active pawnshop enforcement or management.

In 1997, a series of crimes occurred across the United States involving theft, robbery, and multiple murders. The suspect, Andrew Cunanan, repeatedly pawned his victims' stolen items to fund his cross-country murder spree. At no point did the police, in any jurisdiction, discover this clear path provided by the pawnshop information until well after Cunanan committed suicide in Miami, Florida. As a result of this highly charged and visible series of events, police departments across the country began re-examining how pawnshops are managed. Lakewood was no exception. Using the principles of community problem-solving and applied action research, the department sought a solution that required no additional resources or funding.

The purpose of applied action research is to solve specific problems and create informed action, enhance decision making, and apply knowledge to solve human and societal problems. Applied action research is judged by its usefulness in making human actions and interventions more effective and by its utility to those who create planned change. The data-collecting mechanisms for this project were selected to provide the best qualitative and in-depth methods to study the issue of creating a better pawnshop-management system. To create a design for

gathering information appropriate for the pawnshop project, several factors were taken into consideration:

- 1) Was there a problem and could it be validated?
- 2) Who were the stakeholders, decision makers, and affected client-groups?
- 3) What was the best way to collect data from these groups?

To answer these questions, the collaborative client-group approach was utilized. For each of the above questions, groups of individuals or teams were assembled to address the issue and identify successful approaches.

In order to determine if this problem merited attention or a change, a secondary document examination was conducted. Pawn transaction slips for two consecutive months were tabulated. The team assembled for this task included a record specialist and two injured police officers who were restricted to light administrative duty. Ten-thousand slips were manually reviewed and entered into the Colorado Crime Information Center (CCIC) to determine if any of the items were reported stolen. The results of this process yielded 172 criminal cases that needed to be investigated. In comparison, the past three years of pawn violation investigations yielded only 55 pawn violation cases handled by the detectives. The outcome of this two-month examination of documents uncovered deviations more than triple the past three years combined. These findings validated a need to investigate the pawnshop situation in Lakewood and the importance of this study.

The first step of this study was to identify client groups affected by this issue. Three client-groups impacted by the pawnshops were identified: The police department employees assigned to investigate pawn violations, the pawnbrokers, and the citizens of the City of Lakewood. These three divergent client-groups would provide the necessary data for

triangulation. Because of the diversity of these client-groups, the cross-functional approach was utilized to keep the focus on the end customer, the citizens. Three collection tools were developed to gather the data needed. An informal focus group interview approach was utilized with police department employees and pawnshop owners in separate settings. The focus group method was selected because of the size and expertise of each of the client-groups. A survey questionnaire method was used with the citizenry to gather citizen perceptions as they relate to pawnbrokers. Finally, a review of the secondary documentation data from other police departments was conducted. This method was used in an effort to investigate what other entities encountered with similar problems. From these three data collection methods, the problem was clearly defined and several potential solutions emerged.

Numerous potential solutions were suggested by the collaborative group discussions. Some solutions focused on the initial goal of this project, the creation of funding to operate an effective and efficient pawn-management system. Other solutions focused on increasing the functionality of the process. From both of these perspectives, potential solutions emerged and are listed in Table 1.

Two members from each of the three participant groups (police department, pawnbrokers, and the citizenry) were identified to work as the final steering group to develop the new process. Their goal was to analyze all the data and identify the most beneficial solutions serving as a steering and design committee. The list of potential solutions (Table 1) was evaluated and, through a collaborative and compromise process, the steering group designed a collaborative action plan.

The joint-action planning process involved taking the pertinent collected data concerning the existing pawn-management processes and analyzing it. The steering committee undertook

Table 1

Potential Solutions Suggested to Solve the Pawnshop Problem

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- > Infusion of money resources and manpower from a federal grant.
  - > General tax increase for the City to fund a proper pawn program.
  - > Ordinance or zoning regulations that severely restricts the pawn business.
  - > Increase licensing fees to offset costs of the process.
  - > Creation of a computerized process to reduce workload and resources.
  - > Continue with the limited collection and storage of the transaction slips.
  - > Creation of a transaction fee paid by the customer at the time of transaction.
  - > Videotape and fingerprint off all transactions, thus discouraging the criminal element.
  - > Increase hold-order time from 90 to 180 days.
  - > Create an administrative possessory due-process hearing for pawnshop owners.
  - > Create uniform hours of operation for all pawnshops.
  - > Do nothing.
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this diagnosis and develop an action plan for this change effort. This action plan involved much more than the original lack of resource issue. The steering committee identified eight areas of change for this process shown in Table 2. These areas of change were drafted into a policy report and forwarded to the Command Staff of the police department for action.

Table 2

Pawn-Management Change Recommendations

1. An increase in the annual pawn licensing fees.
2. Creation of a customer-based transaction fee.
3. Creation of a computerized pawn-transaction system.
4. Addition of an additional 90 days to the hold order, as needed.
5. Require a clear fingerprint impression on each transaction.
6. Require a videotape recording of each transaction.
7. Create an administrative hearing to determine possessory interest.
8. Establish regular hours of operation for all stores.

**Response**

On August 3, 1998, the completed policy report (Appendix A) was submitted to the police department's Command Staff for review and consideration. The Command Staff was impressed with the collaborative approach involving the three participant groups and commended the groups for the clear methodology utilized within the policy report. The staff was able to examine the concerns and strengths of each group before reaching an informed decision. The policy report was unanimously approved and forwarded to the City Manager and Council for consideration and implementation.

The policy report was reviewed and approved by the City management staff, and municipal ordinances (Appendix B) were drafted and brought before City Council for action. At the public hearings before City Council, the citizens, pawnbrokers, and members of the police

department testified to the strengths and weaknesses of the proposed program. After the unanimous adoption of the program, the Council noted that the Pawn-Management Program provides the resources and necessary funding to accomplish the tasks required by law and the citizens of Lakewood. The program also provides a partnership between the city, the business, and citizen communities that work together in a positive manner to improve the ability of police and pawnshops to accomplish what is required of them. The pawnbrokers were applauded for standing behind the program and donating the capital funds to purchase the computer equipment necessary for the success of this program. The mayor then commended all the parties involved for their hard work, dedication, and completeness of the program that was presented. Further, the mayor noted that the Pawn-Management Program was a model for other cities to examine and adopt in its entirety due to the program's attention to complete detail and support. To date, the Lakewood Pawn-Management Program has been requested by numerous Colorado law enforcement agencies to assist with similar issues. In December 1998, the Pawn-Management Project team was nominated for, and won, a municipal team award in recognition of the collaborative and community approach used to solve this issue.

### **Assessment**

The focus of this project was to address and improve the service delivery problems within the pawnshop-management process. The main issue revolved around the lack of funds and resources needed to effectively or efficiently deliver the service required by state law. When the three collaborative groups were assembled, the change action was initiated in the spirit of participatory input. This change action consisted of a reflective process where the strengths of each client-group were used in the development and successful implementation of this action research project. This collaborative project was initially created to solve the funding issue, but

the scope of the project quickly grew and changed as it unfolded. Ultimately, seven additional crime prevention and administrative issues were incorporated into the final successful solution. The eight-issue solution emerged not only as the most viable to accomplish the initial funding goal, but it also created a "win-win" situation for the business community, citizens, and the City.

The action research archetype chosen for this study was the Huse and Cummings Seven-Step model (Appendix C) because it placed heavy emphasis on the individual strengths and cooperation of client-group stakeholders. In all steps of the model, teams from each client-group researched the issues and worked to successfully achieve specific goals. Initial police client-group members validated the problem statement and set the target goal as a value-added product for the organization. The action research format was very valuable in keeping the researcher on-track and provided a guide and focus for the participant groups. However, several communication issues were overlooked in the beginning and had to be addressed.

From the inception of this project, an air of distrust had to be overcome from members of all three client-groups. The ability to communicate verbally, non-verbally, and interpersonally was critical to resolving these issues. The benefit to strong communication skills included positive character development, project credibility, and confidence of leadership. Each group was unsure of each other's agenda and how this project might negatively affect their participant group. It took months of meetings and sharing of information from other police and pawnbroker organizations across the country facing this same type of problem before trust on both sides emerged and the project moved forward.

Early in the project, each participant group was suspicious of what information other participant groups offered. The police group felt the pawnbrokers could not be trusted due to the adversarial relationship that had been created over time. The pawnbrokers distrusted the police,

fearing ulterior motives for the project. The citizen group communicated that the pawnbrokers were negative business for the city. Overall, the level of cooperation was less than desirable. To overcome this lack of cooperation, each group was asked to bring three issues forward that were of particular interest. Once it was discovered that all the participant groups had the same core interests and level of cooperation, trust started to develop. By the conclusion of the project, several positive networks had developed.

At the time of this writing, the program has been in place for several months and has generated numerous pawn violation cases. While numerous logistical "bugs" are being worked out, the program has been successful. All pawn property is being entered into CCIC and a local computer file has been developed to track and identify repeat pawners and recover stolen property. The video taping, and fingerprinting of pawn transactions has made prosecution easier and is leading to civil recovery of loss for the pawnbrokers.

Note: Additional detailed data from the client groups is available upon request.

